

Director  
Intelligence Community Staff  
Washington, D.C. 20505

DCI/ICS 85-3618

31 May 1985

Mr. Bernard F. McMahon, Staff Director  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Bernie:

I appreciate your letter of 14 May on the subject of an overall strategy for national intelligence. While I do not agree that the good ship Intelligence is as rudderless as you suggest, I do agree that it would be extremely useful for the Committee to delve into the topics you have suggested for hearings. I believe that when members and staff have an opportunity to develop a better appreciation of how the Community carries out its complex tasks, you will be better able to judge whether an overall strategy would serve any useful purpose.

I suggest we approach the hearings in two phases. In Phase I, the ICS would take the lead with appropriate Community support to discuss the current design of the National Intelligence policy process as outlined in your letter. Covered would be such things as the role of the Senior Interdepartmental Group, Intelligence (SIG-I) and the National Intelligence Topics (NITS), DCID 1/2, DCI Committees (production and collection), the Intelligence Producers Council, DCI Program, and Fiscal Guidance. Also discussed will be planning efforts in the Community including our own IC Planning Staff's efforts and the special studies of the Critical Intelligence Problems Committee.

With this overview of the basic steering mechanisms of the Community, Phase II can get into specifics of how individual programs and agencies respond to this guidance and manage their efforts and the substance of such topics as you mentioned. Both the DDCI and the DCI concur with this approach. It is also my understanding that Bill Casey wants to call on Senator Durenberger next week to discuss this overall subject with him further.

25X1

All portions of this  
letter are CONFIDENTIAL

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A-105

Since I will be away next week, I suggest   
meet with you to refine this approach and clarify your specific needs. I hope  
we can get your concurrence and begin preparations for hearings as soon as  
possible.

25X1

Sincerely,

25X1

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SUBJECT: Senate Select Committee Staff Proposal

ICS/PBS  (30 May 1985)

25X1

Distribution: (DCI/ICS 85-3617)

Original - Addressee

1 - DCI, DDCI

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## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Senate Select Committee Staff Proposal

FROM:

D/ICS

EXTENSION

NO.

DCI/ICS 85-3618

DATE

31 May 1985

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

ER

3 JUN 1985

2.

DDCI

4 JUN 1985

3.

DCI

4 June 85 10 JUN 1985

4.

D/OLL

FYF

5.

6.

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10.

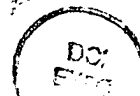
11.

12.

13.

14.

15.



A-105

**EXECUTIVE SECRETARIAT**  
ROUTING SLIP

*DDCI requests D/ICS be given action on this. He (DDCI)*

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS	X	<del>DD</del>		
5	DDI		X		
6	DDA		X		
7	DDO		X		
8	DDS&T		X		
9	Chm/NIC				
10	GC		X		
11	IG				
12	Compt		X		
13	D/Pers				
14	D/OLL		X		
15	D/PAO		X		
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19					
20					
21					
22					

*also verif  
orig  
copy  
on*

*Response  
FJ*

*83-3618*

SUSPENSE

Date

Remarks

ICS, [ ] notified by phone, 1730 hrs, 28 May, she will pass in to D/ICS with action and Armstrong will be back to us on method of response/action.

29 May: [ ] reports D/ICS has talked with DDCI and [ ] is working up the response.

3637

(10-81)

Executive Secretary

24 May 1985

Date

25X1

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Approved For Release 2009/09/21 : CIA-RDP87M00539R000100120015-9

Ok —  
let's advise  
ICS they have  
this for admin  
records  
(change accordingly)

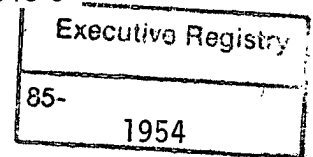
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# United States Senate

SELECT COMMITTEE ON INTELLIGENCE  
 WASHINGTON, DC 20510



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May 14, 1985

The Honorable John N. McMahon  
 Deputy Director of Central Intelligence  
 Central Intelligence Agency  
 Washington, D.C. 20505

Dear John:

Whatever the outcome of the budget process for Fiscal Year 1986, it is fair to conclude that funding levels for the outyears will be substantially less than those of the recent past. The impact on the national intelligence process will be profound. The importance of accurate, timely and relevant information will become even more critical to the difficult investment decisions that the Defense Department will face. The complexity of world affairs will make it increasingly more important to provide the right kind of intelligence for building a cohesive effective foreign policy. Intelligence will, however, feel the same budgetary pressures as all other government activity. In order for intelligence programs to compete successfully, the Intelligence Committee sees a need to develop a comprehensive strategy for the Intelligence Community to use as a standard to measure the state of American intelligence. Until there is such a strategy, both the Committee and the Executive branch will be forced to make decisions on intelligence programs at the margin rather than influencing the process in any larger context of requirements, capabilities, performance and cost benefit.

A major goal then for the Intelligence Committee for this coming year will be the formulation of a requirement for the Executive branch to develop and submit a strategy for national intelligence. This strategy would be updated annually and would be the basis for understanding what is being done in intelligence and what is proposed. It will help the Committee come to grips with the key questions repeatedly raised in hearings. Specifically:

- o What intelligence does the nation require and why?



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- o What means are available to gather this intelligence and what criteria do we use to make a decision as to which one or combination is best?
- o How is intelligence processed and analyzed so as to distill important information and insights from the ocean of incoming material?
- o Who gets what intelligence and what do they do with it?
- o How do we measure the value of our intelligence and the effectiveness of our collective intelligence?
- o What are our plans for the future and what is the basis for these plans?

Developing our intelligence strategy will not be an easy task. Our experience with the development of a defense strategy which supports defense decisionmaking shows that we can reasonably expect the process to evolve over several years. We must start somewhere, however, so our hearing agenda for the remainder of the year is designed to support this goal. It will cover the following subjects:

Current Design of the National Intelligence Policy Process

- o Development of requirements;
- o Setting priorities;
- o Allocating collection and analysis assets to intelligence tasks;
- o Distribution and evaluation of production;
- o Relation between intelligence and U.S. policy formulation, military strategy and operations, and weapons procurement;



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- o Command and control of covert actions and their relations to U.S. foreign policy objectives.

#### Current Design of the Procurement Process in the Intelligence Community

- o Budget development by agency and by the Community;
- o Procurement program development and execution by agency and the Community;
- o Human collection as a resource;
- o Examination of selected high cost systems from establishment of requirements through delivery of product;
- o Analysis as a resource, as a driver of other resources, and as a bottleneck;
- o Future capabilities - Research and development in the Community.

#### Intelligence Process in Action

##### Topical Targets

- o Terrorism
- o Narcotics
- o Arms Control Verification

##### Regional Targets

- o Soviet Union/Europe
- o The Americas
- o Middle East/Africa
- o Asia/Pacific

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Generic Targets

- o Economic Intelligence
- o Scientific and Technical Intelligence

Shaping a National Intelligence Strategy

- o Requirements process
- o Prioritization
- o Relation of requirements to collection plans and capabilities
- o Evaluation of the product
- o Weaknesses and planned remedies

Upon completion of this year's review, we will have a feel for the degree to which we need an overall strategy and a good sense of how it should be expressed to be useful. We can then write guidelines for the DCI to develop such a document for first submission with the FY 1987 budget.

Sincerely,

  
Bernard F. McMahon  
Staff Director

BFM:rn